

**Citibank Korea Inc. recorded 123.6 billion won net income for the 2<sup>nd</sup> quarter of 2005  
– Up 113.1% from the same period of last year**

Citibank Korea Inc. (CEO YK Ha) reported net income of KRW 123.6 billion for the second quarter of 2005, up 113.1% from KRW 58.0 billion for the same period last year. The net income for the 1<sup>st</sup> half of 2005 recorded KRW 258.0 billion, increased by 46.3% over the 1<sup>st</sup> half of 2004. ROA, for the 1<sup>st</sup> half of 2005, of 0.99% was 19 basis points higher than the same period 2004, while ROE of 18.2% was slightly below prior year, due primarily to a stronger capital base. Our overall BIS capital ratio and our Tier I ratio are estimated at 12.9% and 9.9%, among the strongest in the Korean banking system.

CEO Ha also noted that we are pleased with our performance for the second quarter of 2005, and we have also made good progress in the integration of KorAm and Citibank. We feel we have an excellent platform to grow our business, and to deliver innovative, high quality financial products to our customers.

Interest income increased 24% year-on-year, to KRW 242 billion, on the strength of 19% growth in consumer loans, a 38% increase in credit card outstandings, as well as an 18 basis point improvement in net interest margin.

Non interest income increased by KRW 32 billion to KRW 70 billion, due primarily to growth in fees from bancassurance, investment products and credit cards. SG&A expense of KRW 169 billion, increased by 66% over prior year, mainly attributable to the increase in staffing levels and investment spending, resultant from the integration of the legacy Citibank branch business. A generally favorable credit environment continued during the second quarter of 2005, resulting in a 54% decline in loan loss provisions, from KRW 47 billion in the 2<sup>nd</sup> quarter of 2004, to KRW 22 billion in the second quarter of 2005.

The NPL ratio (ratio of sub-standard and below loans to total loans) fell 4 basis points to 1.39%. The NPL coverage ratio (ratio of LLR to sub-standard and below loans) improved slightly from 99% to 99.6%

Total assets of KRW 49.3 trillion are KRW 8 trillion or 20% above June 2004. Loans of KRW 31.2 trillion are KRW 0.8 trillion or 3% above June 2004. Deposits of KRW 27.6 trillion are KRW 3.5 trillion of 16% above prior year.

All numbers for 2004 represent only legacy KorAm bank in accordance with the filed FSS Report.

## ■ Leading indicators and major management indicators

### 1. Summarized income statements

(Unit: KRW in billion)

|                          | 2Q 2004<br>(A) | 1H 2004      | 1Q 2005<br>(B) | 2Q 2005<br>(C) | 1H 2005      | YoY<br>(C/A)  | QoQ<br>(C/B) |
|--------------------------|----------------|--------------|----------------|----------------|--------------|---------------|--------------|
| Net interest income      | 195.0          | 413.2        | 228.9          | 242.4          | 471.4        | 24.3%         | 5.9%         |
| Net non-interest income  | 37.7           | 125.2        | 130.9          | 69.7           | 200.6        | 84.9%         | -46.8%       |
| Net non-operating income | 0.5            | 17.9         | 16.6           | 40.9           | 57.4         | NM            | 146.4%       |
| <b>Total income</b>      | <b>233.2</b>   | <b>556.4</b> | <b>376.4</b>   | <b>353.0</b>   | <b>729.4</b> | <b>51.4%</b>  | <b>-6.2%</b> |
| SG&A expenses            | 101.7          | 198.7        | 167.2          | 168.6          | 335.8        | 65.8%         | 0.8%         |
| Loan loss provision      | 47.2           | 102.4        | 20.6           | 22.0           | 42.6         | -53.4%        | 6.8%         |
| Income tax               | 26.3           | 78.8         | 54.2           | 38.8           | 93.0         | 47.5%         | -28.4%       |
| <b>Net income</b>        | <b>58.0</b>    | <b>176.4</b> | <b>134.4</b>   | <b>123.6</b>   | <b>258.0</b> | <b>113.1%</b> | <b>-8.0%</b> |

### 2. Leading indicators

(Unit: KRW in billion)

|                              | 2Q 2004<br>(A) | 1Q 2005<br>(B) | 2Q 2005<br>(C) | YoY<br>(C/A) | QoQ<br>(C/B) |
|------------------------------|----------------|----------------|----------------|--------------|--------------|
| Total assets                 | 41,232.5       | 51,789.5       | 49,267.6       | 19.5%        | -4.9%        |
| Loans in bank account        | 30,416.2       | 32,592.7       | 31,196.3       | 2.6%         | -4.3%        |
| Corporate & public loans     | 18,127.7       | 17,343.3       | 16,246.4       | -10.4%       | -6.3%        |
| Consumer loans <sup>1)</sup> | 10,445.3       | 12,654.1       | 12,412.7       | 18.8%        | -1.9%        |
| Credit cards                 | 1,843.2        | 2,595.3        | 2,537.2        | 37.7%        | -2.2%        |
| Deposits <sup>2)</sup>       | 23,883.0       | 28,661.1       | 27,615.0       | 15.6%        | -3.6%        |

Note: 1) Won currency loans only

2) Deposits in Won + Deposits in FCY + NCDs

### 3. Major management indicators

|                                    | 2Q 2004<br>(A) | 1Q 2005<br>(B) | 2Q 2005<br>(C) | YoY<br>(C-A) | QoQ<br>(C-B) |
|------------------------------------|----------------|----------------|----------------|--------------|--------------|
| ROA <sup>1)</sup>                  | 0.80%          | 1.03%          | 0.99%          | 0.19%p       | -0.04%p      |
| ROE <sup>1)</sup>                  | 20.80%         | 19.86%         | 18.24%         | -2.56%p      | -1.62%p      |
| Cost/income ratio <sup>2)</sup>    | 43.62%         | 44.42%         | 47.76%         | 4.14%p       | 3.34%p       |
| Delinquency ratio                  | 1.73%          | 1.85%          | 1.75%          | 0.02%p       | -0.10%p      |
| NPL <sup>3)</sup> ratio            | 1.43%          | 1.35%          | 1.39%          | -0.04%p      | 0.04%p       |
| NPL coverage ratio <sup>4)</sup>   | 99.0%          | 105.6%         | 99.6%          | 0.6%p        | -6.00%p      |
| Net interest margin                | 1.94%          | 2.01%          | 2.12%          | 0.18%p       | 0.11%p       |
| BIS capital ratio <sup>5)</sup>    | 10.94%         | 12.44%         | 13.1%          | 2.16%p       | 0.66%p       |
| Tier I capital ratio <sup>5)</sup> | 7.15%          | 9.52%          | 10.1%          | 2.95%p       | 0.58%p       |

Note: 1) Annualized with the net income for the 1<sup>st</sup> half of each year.

2) SG&A expenses / Total income (Interest income + Non-interest income + Non-operating income)

3) Loans classified as substandard or below

4) Loan Loss Reserves / NPLs

5) 1H 2005 numbers are estimated.

Certain statements in this document are “forward-looking statements” within the meaning of the US Private Securities Litigation Reform Act. These statements are based on management’s current expectations and are subject to uncertainty and changes in circumstances. Actual results may differ materially from those included in these statements due to a variety of factors. More information about these factors is contained in Citigroup’s filings with the US Securities and Exchange Commission.

These are financials reported in local books on a local legal vehicle basis under local GAAP and are not representative of the whole Citigroup franchise within Korea.